



# WHAT POWER AFRICA MEANS FOR ETHIOPIA

## Ethiopia Energy Sector Overview

Ethiopia, under its Growth and Transformation Plan (GTP), envisions becoming a regional renewable energy hub in East Africa. Ethiopia has roughly 2,300 megawatts (MW) of installed generation capacity to serve its population of around 90 million people and has little prior experience with private sector-led energy projects. Energy constraints limit growth in key areas of Ethiopia's economy, including the agricultural and industrial sectors.

At the same time, Ethiopia is endowed with abundant renewable energy resources, including 45,000 MWs in additional hydropower potential, more than 10,000 MWs from untapped geothermal resources (see *landmark Corbetti transaction below*), and significant wind and solar generation opportunities throughout the Rift Valley. By 2037, Ethiopia aspires to have a total installed generation capacity of 37,000 MWs and become a major power exporter. Private sector investment will be critical to supporting this development vision.

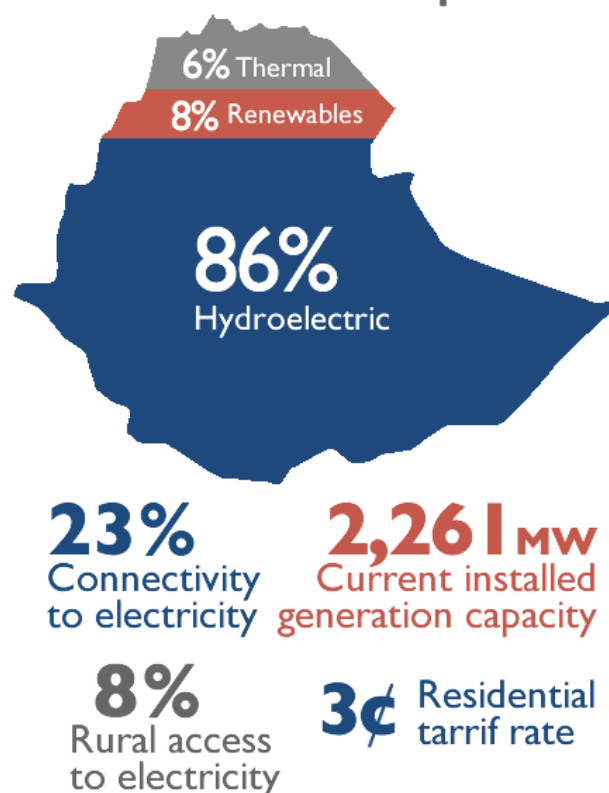
The Government of Ethiopia (GoE) is committed to increasing private sector energy participation, expanding transmission and distribution networks to deliver additional power to customers, maintaining a creditworthy off-taker, reforming tariffs to allow for full-cost recovery, and reducing inefficiency in the sector.

## Power Africa Support

Power Africa is supporting Ethiopia's energy development strategy through technical assistance to the GoE in negotiating its initial landmark Power Purchase Agreement (PPA) and facilitating financing of private-sector led geothermal, solar and wind projects. The 1,000 MW Corbetti geothermal Power Purchase Agreement (PPA) is in the last stage of negotiations for its first 500 megawatts. Power Africa is also supporting dVentus for installation of 2,000 meters in Addis Ababa and manufacturing of two million smart meters in Ethiopia to improve electricity service and reliability for millions of Ethiopian customers. Use of smart meter technology in Ethiopia has the potential to reduce power losses significantly.

The Eastern Africa Power Pool (EAPP) is based in Ethiopia and seeks to facilitate the cross border trading of renewable energy power supplies to the region at the lowest possible cost. The EAPP is working towards efficiently managing the integrated system. Power Africa will assist the EAPP to develop common grid codes and structure transmission interconnection projects that facilitate the integrated development and operations of national power systems in East Africa.

### Current Generation Input Mix



Source: Ethiopian Ministry of Water, Irrigation and Energy (2015)

